

Law Offices of

CHAPMAN AND CUTLER

Theodore S. Chapman  
1877-1943  
Henry E. Cutler  
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Salt Lake City  
50 South Main Street  
Salt Lake City, Utah 84144  
(801) 533-0066

June 27, 2002

Mr. Vernon A. Williams, Secretary  
Surface Transportation Board  
1925 K Street, N.W.  
Washington, DC 20423-0001

20557-14  
JUN 27 02 3:01 PM  
SURFACE TRANSPORTATION BOARD

Re: Union Pacific Railroad Company  
Leveraged Lease Financing  
UPRR 1997-A

Dear Mr. Williams:

I am enclosing for recording pursuant to Section 11301 of Title 49 of the United States Code, an executed original of the Lease Termination, Release of Lien and Bill of Sale (UPRR 1997-A), dated as of June 28, 2002, between DIA Horizon, Ltd., as lessor (the "*Lessor*"), and Union Pacific Railroad Company, as lessee (the "*Lessee*"), Kreditanstalt für Wiederaufbau, as lender and agent (the "*Lender*") and BNY Midwest Trust Company, not in its individual capacity but solely as Security Trustee (the "*Security Trustee*"), which document relates to the Memorandum of Lease dated as of February 26, 1997 between the Lessor and the Lessee, and the related documents described on Exhibit B to the Lease Termination, Release of Lien and Bill of Sale (UPRR 1997-A).

The names and addresses of the parties to the enclosed document are as follows:

Lessee:	Union Pacific Railroad Company 1416 Dodge Street Omaha, Nebraska 68179
Lessor:	DIA Horizon, Ltd. c/o Diamond Lease Company Limited 3-1, Marunouchi 3-chome Chiyoda-ku Tokyo 100-8462 Japan
Lender:	Kreditanstalt für Wiederaufbau Palmengartenstrasse 5-9 60325 Frankfurt am Main, Germany Attention: K III c 3

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1557552

Law Offices of  
CHAPMAN AND CUTLER

Security Trustee: BNY Midwest Trust Company  
2 North LaSalle Street  
Suite 1020  
Chicago, Illinois 60602

The equipment covered by the aforesaid Lease Termination, Release of Lien and Bill of Sale (UPRR 1997-A) is one (1) General Motors Corporation (Electro-Motive Division) Model SD-90 MAC Diesel Electric Locomotive bearing road number UP 8088.

A short summary of the document to appear in the index follows:

Lease Termination, Release of Lien and Bill of Sale dated as of June 28, 2002 among Union Pacific Railroad Company, a Delaware corporation (the "*Lessee*"), DIA Horizon, Ltd., a corporation formed under the laws of Japan (the "*Lessor*"), Kreditanstalt für Wiederaufbau, as Lender and Agent (the "*Lender*"), and BNY Midwest Trust Company (successor to Harris Trust and Savings Bank), an Illinois trust company, not in its individual capacity but solely as Security Trustee under the Mortgage (in such capacity, the "*Security Trustee*").

A fee of twenty-eight dollars (\$28.00) is enclosed. Please time and date stamp the enclosed copy of the enclosed document along with the extra copy of this letter as proof of filing and recordation of the enclosed document and return the original and any extra copies of such document and this letter not needed by the Board for recordation to:

Robert Alvord  
Alvord and Alvord  
1050 Seventeenth Street, Suite 301  
Washington, DC NW 20036

If you have any questions or need further information, please do not hesitate to contact the undersigned (312-845-2977).

Sincerely,

CHAPMAN AND CUTLER

By

August J. Francis

AJF/jag  
Enclosures

20557-H

JAN 27 '02

3-01 PM

**SURFACE TRANSPORTATION BOARD**

(UPRR 1997-A)  
LEASE TERMINATION,  
RELEASE OF LIEN  
AND  
BILL OF SALE

Dated as of June 28, 2002

Among

UNION PACIFIC RAILROAD COMPANY,

as Lessee

DIA HORIZON LTD.,

as Lessor

KREDITANSTALT FÜR WIEDERAUFBAU,

as Lender and Agent

and

BNY MIDWEST TRUST COMPANY,

not in its individual capacity but solely as Security Trustee

THIS AGREEMENT SHALL BE FILED WITH THE SURFACE TRANSPORTATION BOARD AND DEPOSITED IN THE OFFICE OF THE REGISTRAR GENERAL OF CANADA AND, UPON SUCH FILING OR DEPOSIT, EACH OF THE MEMORANDA DESCRIBED ON EXHIBIT B ATTACHED HERETO, AND THE INTERESTS OF THE PARTIES EVIDENCED THEREBY, SHALL BE TERMINATED OR RELEASED, AS THE CASE MAY BE, WITH RESPECT TO THE TERMINATED EQUIPMENT DESCRIBED ON EXHIBIT A ATTACHED HERETO.

THIS LEASE TERMINATION, RELEASE OF LIEN AND BILL OF SALE (this "Agreement"), dated as of June 28, 2002, among UNION PACIFIC RAILROAD COMPANY, a Delaware corporation (the "Lessee"), DIA HORIZON LTD., a corporation formed under the laws of Japan (the "Lessor"), KREDITANSTALT FÜR WIEDERAUFBAU, as Lender and Agent (the "Lender"), and BNY MIDWEST TRUST COMPANY (successor to Harris Trust and Savings Bank), an Illinois trust company, not in its individual capacity but solely as Security Trustee under the Mortgage (in such capacity, the "Security Trustee").

WITNESSETH

WHEREAS, the Lessee, the Lessor, the Lender and the Security Trustee have, with the other parties thereto, heretofore entered into a Participation Agreement (UPRR 1997-A), the Lessor and the Lessee have heretofore entered into a Lease Agreement (UPRR 1997-A) and the Lessor and the Security Trustee have heretofore entered into a Mortgage and Security Agreement (UPRR 1997-A), each dated as of February 19, 1997 (such documents referred to herein as the "Participation Agreement," the "Lease," and the "Mortgage," respectively) (Capitalized terms used herein without definition shall have the respective meanings set forth in the Participation Agreement); and

WHEREAS, one (1) Item of Equipment has suffered an Event of Loss and the Lessee has elected not to replace such Item of Equipment and shall pay the Casualty Value Termination Payment, Special Termination Payment and all other amounts required to be paid with respect to such Item of Equipment under the Lease; and

WHEREAS, a pro rata portion of the Loan for the Item of Equipment suffering an Event of Loss shall be prepaid in accordance with Section 3.2 of the Mortgage; and

WHEREAS, the Mortgage provides for the transfer of all of the Security Trustee's right, title and interest in and to the Item of Equipment suffering an Event of Loss to the Lessor and the release of such Item of Equipment from the Lien of the Mortgage, and the Lease provides for the termination of the Lease with respect to such Item of Equipment and the transfer of the Lessor's right, title and interest in and to such Item of Equipment to the Lessee, in each case if the Lessee has paid the Casualty Value Termination Payment, Special Termination Payment and all other amounts payable pursuant to Section 10(a)(ii) of the Lease applicable to such Item of Equipment and needed to effect a partial prepayment of the Loan related thereto.

NOW THEREFORE, in consideration of the premises and for good and sufficient consideration, the parties hereto hereby agree as follows:

1. The Lien of the Mortgage with respect to the Item of Equipment listed on Exhibit A attached hereto and incorporated herein by this reference (the "Terminated Equipment") is hereby released and canceled, and the Security Trustee does hereby grant, bargain, sell, transfer and convey unto the Lessor all of its right, title and interest in and to the Terminated Equipment, free and clear of all liens, security interests and

other encumbrances created in or retained by it under the Mortgage, to have and to hold all and singular the Terminated Equipment unto the Lessor, its successors and assigns forever.

2. The Lease is hereby terminated and canceled with respect to the Terminated Equipment, and the Lessor does hereby grant, bargain, sell, transfer and convey unto the Lessee without recourse or warranty except as provided in this paragraph all of its right, title and interest in and to the Terminated Equipment, "as is, where is," free and clear of all right, title and interest of Lessor, or any Affiliate thereof, and Lessor's Liens, to have and to hold all and singular the Terminated Equipment unto the Lessee, its successors and assigns forever.

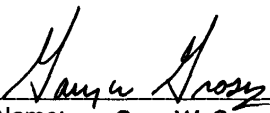
3. Except as amended hereby, the Lease and the Mortgage are hereby confirmed and ratified and shall continue in full force and effect.

4. This document may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute one and the same instrument.

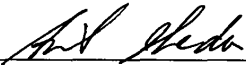
5. This Agreement shall be filed with the Surface Transportation Board and deposited in the Office of the Registrar General of Canada and, upon such filing or deposit, each of the Memoranda described on Exhibit B attached hereto, and the interests of the parties evidenced thereby, shall be terminated or released, as the case may be, with respect to the Terminated Equipment.

IN WITNESS WHEREOF, each of the parties hereto, pursuant to due corporate authority, has caused this instrument to be duly executed in its corporate name by its officers thereunto duly authorized, all as of the date first above written.

UNION PACIFIC RAILROAD COMPANY,  
as Lessee

By:   
Name: Gary W. Grosz  
Title: Assistant Treasurer

DIA HORIZON LTD.,  
as Lessor

By:   
Name: Arihiro Ikeda  
Title: Attorney-in-Fact

KREDITANSTALT FÜR WIEDERAUFBAU,  
as Lender and Agent

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

BNY MIDWEST TRUST COMPANY,  
not in its individual capacity but solely  
as Security Trustee

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

DIA HORIZON LTD.,  
as Lessor

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

KREDITANSTALT FÜR WIEDERAUFBAU,  
as Lender and Agent

By: Hockmann  
Name: S. HOCKMANN  
Title: VICE PRESIDENT

By: Lehmann  
Name: TH. LEHMANN  
Title: SENIOR PROJECT MANAGER

BNY MIDWEST TRUST COMPANY,  
not in its individual capacity but solely  
as Security Trustee

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

;

No. 333 of the roll of documents for 2002

I hereby certify and attest the above signatures recognized as their own by the gentleman and lady personally known to me:

1. Thomas Lehmann,
2. Susanne Hockmann,

and I recognize the above signatures to be theirs.

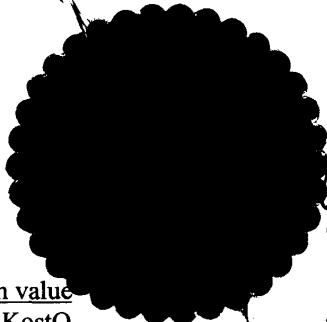
I also confirm that according to the certificate of the Minister of Finance of the Federal Republic of Germany of January 1, 2002 the following gentleman and lady

Thomas Lehmann and Susanne Hockmann,

are entitled in conjunction with the representative authority pursuant to §§ 49, 54 HGB ( Commercial Code ) to legally represent the Kreditanstalt für Wiederaufbau in Frankfurt am Main. Their entitlement for representation results from § 12 sect. 2 of the act concerning the Kreditanstalt für Wiederaufbau in the wording of June 23, 1969 ( BGBl S. 573 – Civil Code folio I, page 573 ) last amended by Article 23 of the Third Financial Market Promotion Act of 24<sup>th</sup> March 1998 ( Federal Gazette. No. 529 ).

Prior to the notarial recording, the notary asked the persons concerned whether they have already been or are active in the matter which is object of the recording, beyond their official activity, as far as it was not carried out by order of all persons concerned. The persons concerned declared this not to be the case.

Signed at Frankfurt am Main, this 21<sup>st</sup> day of June 2002



Albert E. Backes  
(Notary Public)

Cost accounting

value: Maximum value

charge §§ 32,45 KostO

charge § 150 KostO

VAT 16 %

€	130,--
€	13,--
€	143,--
€	22,88
€	165,88

Frankfurt am Main, this 21<sup>st</sup> day of June 2002



Notary Public



DIA HORIZON LTD.,  
as Lessor

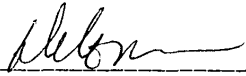
By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

KREDITANSTALT FÜR WIEDERAUFBAU,  
as Lender and Agent

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

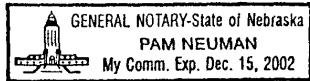
BNY MIDWEST TRUST COMPANY,  
not in its individual capacity but solely  
as Security Trustee

By:  \_\_\_\_\_  
Name: **D. G. DONOVAN**  
Title: **Assistant Vice President**

State of Nebraska )  
 ) SS  
County of Douglas )

On this 7<sup>th</sup> day of June, 2002, before me, a notary public, personally appeared Gary W. Grosz, to me personally known, who being by me duly sworn says that he is the Assistant Treasurer of UNION PACIFIC RAILROAD COMPANY and that said instrument was executed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

(Notarial Seal)



Pam Neuman  
Notary Public

My Commission Expires: 12-15-02

State of )  
 ) SS  
County of )

On this \_\_\_\_\_ day of June, 2002, before me, a notary public, personally appeared \_\_\_\_\_, to me personally known, who being by me duly sworn says that he is the \_\_\_\_\_ of DIA HORIZON LTD. and that said instrument was executed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

(Notarial Seal)

\_\_\_\_\_  
Notary Public

My Commission Expires:

State of Nebraska )  
 ) SS  
County of Douglas )

On this \_\_\_\_ day of June, 2002, before me, a notary public, personally appeared \_\_\_\_\_, to me personally known, who being by me duly sworn says that he is the \_\_\_\_\_ of UNION PACIFIC RAILROAD COMPANY and that said instrument was executed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

(Notarial Seal)

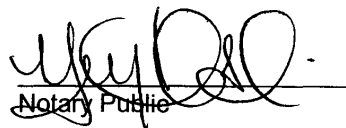
\_\_\_\_\_  
Notary Public

My Commission Expires:

State of New York )  
 ) SS  
County of New York )

On this 24<sup>th</sup> day of June, 2002, before me, a notary public, personally appeared Arihiro Ikeda, to me personally known, who being by me duly sworn says that he is the Attorney-in-Fact of DIA HORIZON LTD. and that said instrument was executed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

(Notarial Seal)

  
Notary Public

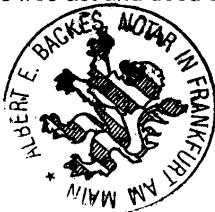
My Commission Expires:

MEYTAL KASHI  
Notary Public, State of New York  
No. 01KA6068475  
Qualified in New York County  
Commission Expires January 7, 2006

State of )  
 )  
County of ) SS *Germany*  
 *Frankfurt/Main*

On this \_\_\_\_\_ day of June, 2002, before me, a notary public, personally appeared ~~MRS. S. HECKMANN~~ *Mrs. S. Heckmann* to me personally known, who being by me duly sworn says that he is the representative of KREDITANSTALT FÜR WIEDERAUFBAU and that said instrument was executed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

(Notarial Seal)



*[Signature]*  
Notary Public

My Commission Expires: *March 2015*

State of )  
 )  
County of ) SS

On this \_\_\_\_\_ day of June, 2002, before me, a notary public, personally appeared \_\_\_\_\_, to me personally known, who being by me duly sworn says that he is the \_\_\_\_\_ of KREDITANSTALT FÜR WIEDERAUFBAU and that said instrument was executed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

(Notarial Seal)

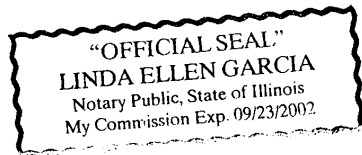
\_\_\_\_\_  
Notary Public

My Commission Expires:

State of Illinois )  
County of Cook ) SS

On this \_\_\_\_\_ day of June, 2002, before me, a notary public, personally appeared D. G. Donovan, to me personally known, who being by me duly sworn says that he is the Assistant Vice President of BNY MIDWEST TRUST COMPANY and that said instrument was executed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

(Notarial Seal)



Linda Ellen Garcia  
Notary Public

My Commission Expires:

Exhibit A

SCHEDULE OF TERMINATED EQUIPMENT

<u>Description</u>	<u>Quantity</u>	<u>Road Number</u>
General Motors Corporation (Electro-Motive Division) Model SD-90 MAC Diesel Electric Locomotive	1	UP 8088

Exhibit B

ORIGINAL SURFACE TRANSPORTATION BOARD FILINGS

	<u>Description</u>	<u>Date Filed</u>	<u>Recordation Number</u>
(1)	Memorandum of Lease Agreement (UPRR 1997-A) dated Feb. 27, 1997 between Lessor and Lessee	Feb. 26, 1997	20557
(2)	Memorandum of Mortgage and Security Agreement (UPRR 1997-A) dated Feb. 27, 1997 between Security Trustee and Lessor	Feb. 26, 1997	20557-A
(3)	Memorandum of Lease Supplement No. 1 (UPRR 1997-A) dated Feb. 27, 1997 between Lessor and Lessee	Feb. 26, 1997	20557-B
(4)	Memorandum of Mortgage Supplement No. 1 (UPRR 1997-A) dated Feb. 27, 1997 between Security Trustee and Lessor	Feb. 26, 1997	20557-C
(5)	Memorandum of Lease Assignment (UPRR 1997-A) dated Feb. 27, 1997 between Lessor and Security Trustee	Feb. 26, 1997	20557-D
(6)	Memorandum of Yen Assignment Agreement (UPRR 1997-A) dated Feb. 27, 1997 between Lessor and The Bank of Tokyo-Mitsubishi, Ltd.	Feb. 26, 1997	20557-E
(7)	Memorandum of Lessor Security Agreement (UPRR 1997-A) dated Feb. 27, 1997 between Lessor and Lessee	Feb. 26, 1997	20557-F
(8)	Memorandum of Dollar Account Pledge Agreement (UPRR 1997-A) dated Feb. 27, 1997 between Lessor and Lender	Feb. 27, 1997	20557-G

ORIGINAL REGISTRAR GENERAL OF CANADA FILINGS

	<u>Description</u>	<u>Date Filed</u>
(1)	Memorandum of Lease Agreement (UPRR 1997-A) dated Feb. 27, 1997 between Lessor and Lessee	Feb. 26, 1997
(2)	Memorandum of Mortgage and Security Agreement (UPRR 1997-A) dated Feb. 27, 1997 between Security Trustee and Lessor	Feb. 26, 1997
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(7)	Memorandum of Lessor Security Agreement (UPRR 1997-A) dated Feb. 27, 1997 between Lessor and Lessee	Feb. 26, 1997
(8)	Memorandum of Dollar Account Pledge Agreement (UPRR 1997-A) dated Feb. 27, 1997 between Lessor and Lender	Feb. 27, 1997